

Table 1  
School Facilities Board  
Five-Year Strategic Plan FY 2008-FY 2012  
Incremental Change in Expenditures

	Projected FY 2007	Incremental Change	Projected FY 2008	Incremental Change	Projected FY 2009	Incremental Change	Projected FY 2010	Incremental Change	Projected FY 2011	Incremental Change	Projected FY 2012
<b>Fund Appropriated Funds</b>											
1000 General Fund - School Facilities Operating	1,747,200	178,100	1,925,300	101,000	2,026,300	60,789	2,087,089	62,613	2,149,702	64,491	2,214,193
1000 General Fund - Building Renewal	86,283,500	103,936,462	190,219,962	19,022,038	209,242,000	20,924,200	230,166,200	23,016,600	253,182,800	25,318,300	278,501,100
1000 General Fund - New School Facilities	250,000,000	157,799,900	407,799,900	60,529,100	468,329,000	43,092,900	511,421,900	5,133,900	516,555,800	69,457,200	586,013,000
1000 General Fund - New School Facilities LTO	75,733,500	(3,766,300)	71,967,200	7,301,200	79,268,400	(943,200)	78,325,200	(13,452,700)	64,872,500	26,465,500	91,338,000
1000 General Fund - Emergency Deficiencies	0	0	0	0	0	0	0	1,000,000	1,000,000	0	1,000,000
... General Fund Total	413,764,200	258,148,162	671,912,362	86,953,338	758,865,700	63,134,689	822,000,389	15,760,413	837,760,802	121,305,491	959,066,293
<b>Non-Appropriated Funds</b>											
2373 Lease-to-Own Debt Service	75,733,500	(3,766,300)	71,967,200	7,301,200	79,268,400	(943,200)	78,325,200	(13,452,700)	64,872,500	26,465,500	91,338,000
2455 Deficiency Corrections	30,277,100	(30,277,100)	0	0	0	0	0	0	0	0	0
2460 New School Facilities Fund	350,633,700	59,896,900	410,530,600		473,337,800		521,431,600		526,566,500		596,024,800
2465 Building Renewal Fund	86,283,500	103,936,462	190,219,962	19,022,038	209,242,000	20,924,200	230,166,200	23,016,600	253,182,800	25,318,300	278,501,100
2484 Emergency Deficiency Corrections	1,359,000	(859,000)	500,000	500,000	1,000,000	50,000	1,050,000	52,500	1,102,500	55,100	1,157,600
3325 School Facilities Revenue Bond Proceeds	100	(100)	0	0	0	0	0	0	0	0	0
3335 School Improvement Revenue Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0
3339 State Land Trust Bond Proceeds	300	(300)	0	0	0	0	0	0	0	0	0
5010 School Facilities Revenue Bond Debt Service	77,493,400	(11,646,700)	65,846,700	(3,500)	65,843,200	(400)	65,842,800	(1,600)	65,841,200	(93,300)	65,747,900
5030 State School Trust Revenue Bond Debt Service	25,433,800	700	25,434,500	(1,000)	25,433,500	800	25,434,300	200	25,434,500	(3,100)	25,431,400
Non-Appropriated Funds Total	647,214,400	117,284,562	764,498,962	26,818,738	854,124,900	20,031,400	922,250,100	9,615,000	937,000,000	51,742,500	1,058,200,800
<b>Total Funds</b>	<b>1,060,978,600</b>	<b>375,432,724</b>	<b>1,436,411,324</b>	<b>113,772,076</b>	<b>1,612,990,600</b>	<b>83,166,089</b>	<b>1,744,250,489</b>	<b>25,375,413</b>	<b>1,774,760,802</b>	<b>173,047,991</b>	<b>2,017,267,093</b>
<b>Full-Time Equivalent Positions</b>	<b>15.0</b>	<b>2.0</b>	<b>17.0</b>	<b>1.0</b>	<b>18.0</b>	<b>1.0</b>	<b>19.0</b>	<b>1.0</b>	<b>20.0</b>	<b>1.0</b>	<b>21.0</b>

Table 2  
School Facilities Board Operating  
Five-Year Strategic Plan FY 2008-FY 2012  
Incremental Change in Expenditures

	Projected FY 2007	Incremental Change	Projected FY 2008	Incremental Change	Projected FY 2009	Incremental Change	Projected FY 2010	Incremental Change	Projected FY 2011	Incremental Change	Projected FY 2012
Expenditures	1,747,200	178,100	1,925,300	101,000	2,026,300	60,789	2,087,089	62,613	2,149,702	64,491	2,214,193

Assumptions:

FY 2008 projection includes \$178,100 for the school facilities liaison decision package that was part of the FY 2008 budget request. The FY 2009 budget will likely require additional funding for information technology professional and outside services or in-house programming staff (\$70,000 salary and \$21,000 ERE) as well as adjustments (\$10,000) in the Attorney General (AG) Interagency Service Agreement (ISA) which increased due to Laws 2006, Ch. 1 (HB 2661) relating to pay increases for state employees. The attorney salaries in the AG's office were increased as well as their appropriation from the Interagency Services Agreement Fund; however, client agency budgets were not increased to support an increased ISA. The FY 2010 - FY 2012 forecast assumes a 3% increase in the annual operating budget.

Table 3  
New Construction Program  
Five-Year Strategic Plan FY 2008-FY 2012  
Incremental Change in Fund Balance

	Projected FY 2007	Incremental Change	Projected FY 2008	Incremental Change	Projected FY 2009	Incremental Change	Projected FY 2010	Incremental Change	Projected FY 2011	Incremental Change	Projected FY 2012
Beginning Fund Balance	31,232,300		(6,506,700)		762,600		5,753,800		5,744,100		5,733,400
Revenues											
Lease to Own Proceeds	17,200,000	(17,200,000)	0	0	0	0	0	0	0	0	0
Rental Income	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000
Total Revenues	27,200,000	(17,200,000)	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000
Fund Transfers											
GF Appropriation - New Schools <sup>3</sup>	246,000,000	153,000,000	399,000,000	26,833,700	425,833,700	27,353,900	453,187,600	35,038,000	488,225,600	83,622,300	571,847,900
GF Appropriation - Full Day K	4,000,000	3,869,500	7,869,500	34,625,800	42,495,300	15,739,000	58,234,300	(29,904,100)	28,330,200	(14,165,100)	14,165,100
GF Appropriation - LTO Debt Service	75,733,500	(3,766,300)	71,967,200	7,301,200	79,268,400	(943,200)	78,325,200	(13,452,700)	64,872,500	26,465,500	91,338,000
Transfer-In from Deficiency Corrections	25,893,200	(25,893,200)	0	0	0	0	0	0	0	0	0
Transfer-In from School Improvement											
Revenue Bond Debt Service Fund	9,801,500	(9,801,500)	0	0	0	0	0	0	0	0	0
Total Transfers	361,428,200	117,408,500	478,836,700	68,760,700	547,597,400	42,149,700	589,747,100	(8,318,800)	581,428,300	95,922,700	677,351,000
Total Available Resources	419,860,500	62,469,500	482,330,000	76,030,000	558,360,000	47,140,900	605,500,900	(8,328,500)	597,172,400	95,912,000	693,084,400
Expenditures											
Operating Costs <sup>1</sup>	8,000	0	8,000	800	8,800	900	9,700	1,000	10,700	1,100	11,800
Projects <sup>2</sup>	314,338,300	52,384,400	366,722,700	29,111,000	395,833,700	32,353,900	428,187,600	35,038,000	463,225,600	83,622,300	546,847,900
Land	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000	0	35,000,000
LTO Debt Service Payments	75,733,500	(3,766,300)	71,967,200	7,301,200	79,268,400	(943,200)	78,325,200	(13,452,700)	64,872,500	26,465,500	91,338,000
Full Day Kindergarten <sup>4</sup>	1,287,400	6,582,100	7,869,500	34,625,800	42,495,300	15,739,000	58,234,300	(29,904,100)	28,330,200	(14,165,100)	14,165,100
Total Expenditures	426,367,200	55,200,200	481,567,400	71,038,800	552,606,200	47,150,600	599,756,800	(8,317,800)	591,439,000	95,923,800	687,362,800
Ending Fund Balance	(6,506,700)	7,269,300	762,600	4,991,200	5,753,800	(9,700)	5,744,100	(10,700)	5,733,400	(11,800)	5,721,600

Assumptions:

<sup>1</sup> Operating costs grow at 10% annually.

<sup>2</sup> The University of Arizona forecasts that Arizona's population will grow at an annual rate of around 3%. K-12 ADM as a percent of enrollment during FY 2005 and FY 2006 was an average 14.64%. The forecast assumes a cost per ADM of \$14,155. The forecast also assumes 4.5% inflation.

<sup>3</sup> The forecast assumes the use of cash financing from General Fund appropriations from FY 2007 forward and assumes an amount necessary to maintain a fund balance of approximately \$5.0 million.

<sup>4</sup> Full Day Kindergarten costs are based on historical expenditure patterns for new school construction, with 5%, 27%, 37% 18%, 9% being spent from FY 2008 through FY 2012 respectively with the remaining 4% in FY 2013 for projects estimated to be approved in FY 2008 budget. If Legislature approves capital funding, the costs in ensuing fiscal years will increase and require annual updating in five-year plan as conceptual approval information becomes available.

Table 4  
Building Renewal Program  
Five-Year Strategic Plan FY 2008-FY 2012  
Incremental Change in Expenditures

	Projected FY 2007	Incremental Change	Projected FY 2008	Incremental Change	Projected FY 2009	Incremental Change	Projected FY 2010	Incremental Change	Projected FY 2011	Incremental Change	Projected FY 2012
Beginning Fund Balance	11,634,900		11,634,900		11,634,900		11,634,900		11,634,900		11,634,900
Revenues											
Operating Transfers-In	86,283,500	103,936,462	190,219,962	19,022,038	209,242,000	20,924,200	230,166,200	23,016,600	253,182,800	25,318,300	278,501,100
Total Revenues	86,283,500	103,936,462	190,219,962	19,022,038	209,242,000	20,924,200	230,166,200	23,016,600	253,182,800	25,318,300	278,501,100
Total Revenues	97,918,400	103,936,462	201,854,862	19,022,038	220,876,900	20,924,200	241,801,100	23,016,600	264,817,700	25,318,300	290,136,000
Expenditures											
Building Renewal <sup>1</sup>	86,283,500	103,936,462	190,219,962	19,022,038	209,242,000	20,924,200	230,166,200	23,016,600	253,182,800	25,318,300	278,501,100
Total Expenditures	86,283,500	103,936,462	190,219,962	19,022,038	209,242,000	20,924,200	230,166,200	23,016,600	253,182,800	25,318,300	278,501,100
Ending Fund Balance <sup>2</sup>	11,634,900	0	11,634,900	0	11,634,900	0	11,634,900	0	11,634,900	0	11,634,900

Assumptions:

<sup>1</sup> Building Renewal has grown an average of 8.4% between FY 1999 and FY 2007. Forecast assumes 10% growth per year. With respect to revenues, the FY2009 operating transfers in were reduced by \$2.5 million to spend down fund balance and operating transfers-in from the General Fund grow at 10% after the adjustment

Table 5  
Emergency Deficiencies Correction Program  
Five-Year Strategic Plan FY 2008-FY 2012  
Incremental Change in Expenditures

	Projected FY 2007	Incremental Change	Projected FY 2008	Incremental Change	Projected FY 2009	Incremental Change	Projected FY 2010	Incremental Change	Projected FY 2011	Incremental Change	Projected FY 2012
Beginning Fund Balance	4,071,400		2,971,500		2,471,500		1,471,500		421,500		319,000
Revenues											
Operating Transfers In	259,100	(259,100)	0	0	0	0	0	1,000,000	1,000,000	0	1,000,000
Total Revenues	259,100	(259,100)	0	0	0	0	0	1,000,000	1,000,000	0	1,000,000
Total Available Resources	4,330,500	(1,359,000)	2,971,500	(500,000)	2,471,500	(1,000,000)	1,471,500	(50,000)	1,421,500	(102,500)	1,319,000
Expenditures											
Aid to Organizations	1,359,000	(859,000)	500,000	500,000	1,000,000	50,000	1,050,000	52,500	1,102,500	55,100	1,157,600
Total Expenditures	1,359,000	(859,000)	500,000	500,000	1,000,000	50,000	1,050,000	52,500	1,102,500	55,100	1,157,600
Ending Fund Balance	2,971,500	(500,000)	2,471,500	(1,000,000)	1,471,500	(1,050,000)	421,500	(102,500)	319,000	(157,600)	161,400

Assumptions:

In FY 2004 and FY 2005 actual expenditures were \$231,454 and \$694,146 respectively. In FY 2006, the expenditures of \$6,593,318 were atypical since the majority of the expenditures—\$6,528,319—related to a single emergency replacement high school project (Project # 030215000-9999-4-4) in Tuba City Unified School District. In FY 2007, the SFB anticipates having approximately \$859,000 in expenditures related to the Tuba City project as well as an additional \$500,000 in unidentified projects. In FY 2008, the SFB anticipates remaining at the \$500,000 level. In FY 2009 and beyond, the SFB assumes a higher level of potential expenditures, approximately \$1.0 million, since the dismissal of the building lawsuit and the requirement for plaintiff districts to pursue all state funding available, including emergency deficiencies, must be pursued before the Court will consider the lawsuit ripe. The forecast assumes 5% inflation.

The Emergency Deficiency Correction Fund established by A.R.S. 15-2022 does not have a dedicated funding source. Revenues consist of monies transferred from the Deficiencies Correction Fund established by A.R.S. §15-2021, which is now repealed and no longer in existence, or the New School Facilities Fund established by A.R.S. §15-2041 as long as the transfer will not affect, interfere with, disrupt or reduce any approved capital projects. The forecast assumes an appropriation of \$1.0 million in FY 2011 and FY 2012 to keep the fund solvent assuming expenditure projections are correct and there is no available cash in the New School Facilities Fund available for transfer.